

schemes and incentives available to Non-Resident Indians (NRIs) have been accepted by RBI for implementation and have been notified through a Press Release by RBI on 25.9.1996 as per the statement attached. These are in addition to the recommendations already accepted/implemented by RBI. These measures, together with other efforts of the Government towards simplification of procedures and transparency in approval mechanism create a positive and investor friendly environment for attracting more foreign investments into the country.

STATEMENT

(a) The scheme for 100 per cent investment by NRIs in sick units would be further liberalised.

(b) General permission would be granted by the Reserve Bank for interest free non-repatriable loans from NRI relatives for personal purposes and for business activities. Interest-free-repatriable loans upto US \$ 2.5 lakh with a maturity of seven years would be cleared by the Reserve Bank automatically. Other cases would continue to be cleared on a case to case basis by the Reserve Bank.

(c) The Reserve Bank would permit transfer of funds from one Non-Resident (External) (NRE) account to the NRE account of another person for any purpose.

(d) NRIs/OCBs would be permitted to establish schools and colleges on the same terms and conditions as a resident individual/corporate body.

(e) The existing 40 percent scheme would be abolished. In Non-Annexure-III industries, investments by NRIs/OCBs upto 51 per cent in companies other than listed companies would be allowed on repatriation basis.

(f) The condition regarding 60 per cent turnover from eligible activities for the investment to be eligible under the old 40 per cent and the proposed 51 per cent scheme would be waived.

(g) NRI participation in venture capital activity would be permitted on the same terms and conditions as foreign investment in this area.

(h) The Housing Development Finance Corporation (HDFC) and other housing finance institutions would be permitted to grant loans to NRIs for acquisition/improvement to the existing houses on the terms and conditions as applicable to residents.

(i) All information relating to NRI foreign investment would be put on the Internet.

Trade Agreement With Myanmar

3221. DR. ARUN KUMAR SARMA : Will the Minister of COMMERCE be pleased to state:

(a) whether an agreement has been signed between Union Government and Government of Myanmar for promotion of border trade;

(b) if so, the details thereof;

(c) the efforts being made by his ministry to implement the terms of the agreement and the progress made so far;

(d) whether there was any provision to construct roads within the territory of Myanmar by India as per the agreement; and

(e) if so, the details thereof and progress made so far ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) Yes, Sir.

(b) The Border Trade Agreement between the Government of India and the Government of Myanmar was signed in New Delhi on 21.1.1994. As per the Agreement, border trade is to be conducted through Moreh and Champai in India corresponding to Tamu and Rih in Myanmar respectively and through any other route which may be notified by mutual agreement between the two countries. Under this agreement, 22 commodities have been identified for exchange by residents living along the border of the two countries and trade is to be conducted in freely convertible currencies or in currencies mutually agreed upon by the two countries including through counter trade arrangements.

(c) Subsequent to the signing of the Agreement, bilateral talks were held with Myanmar in June, 1994 for the expeditious implementation of the Agreement. Steps were taken to put in place necessary banking, immigration, customs and other related trading arrangements. The progress in this regard were reviewed in an official level meeting between the two sides in January, 1995 paving the way for inauguration of border trade on 12th. April, 1995 by the respective Ministers of Commerce via Moreh in Manipur and Tamu in Myanmar. After operationalisation of this route, reviews were undertaken with the Myanmar authorities in Yangon in July, 1995 and in India in November, 1996 to further facilitate growth of border trade.

(d) No, Sir.

(e) Does not arise.

Disinvestment Commission

3222. SHRI DINSHA PATEL :
SHRIMATI VASUNDHARA RAJE :

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Disinvestment Commission set up by the Government have submitted its first report;

(b) if so, the details of the recommendations and whether the Government have accepted them;

(c) whether the Government are contemplating to refer some more Public Sector Undertakings to the Commission; and